

The Democrats' VISION DEFICIT

HOUSE BUDGET COMMITTEE, REPUBLICAN CAUCUS

That Taxpayer ‘Behind the Tree’ Just Might be *You*

The latest feel-good proposal on the Democrat agenda is to repeal the alternative minimum tax [AMT] – a mechanism supposedly aimed at taxing “the rich” that is now reaching into the pocketbooks of middle-income taxpayers.

This AMT problem has been growing over the past few years, but the projected revenue impact – about \$1 trillion over 10 years – has made a full repeal difficult to manage. The best approach, of course, would be to offset it by slowing the growth of entitlements – which would address two important problems in a single stroke. This would also be consistent with the Democrats’ much-celebrated “pay-as-you-go” commitment in January.

But don’t hold your breath waiting for Democrat spending restraint. Chairman Neal of the Ways and Means Revenue subcommittee said yesterday he favors full repeal, and “vowed that Democrats will provide full revenue-raising offsets.” *CQToday*, 3/8/07 Translation: “We’ll tax Peter to pay Paul.”

There are not enough alleged “tax breaks for the rich” or “corporate loopholes” to generate a tidy trillion dollars. So the Democrats will have to dig into someone else’s pockets.

Which reminds us of the popular old line that says: “Don’t tax you, don’t tax me, tax that man behind the tree.” Under the Democrat plan, there’s a good change that taxpayer will be *you*.